having a large share in the housing loan market have recently raised home lonas rates by 50-75 basis points, the interest rates on housing loans offered by Public Sector Banks have remained unchanged so far. As lending rates have been deregulated by the Reserve Bank, banks are free to fix their lending rates, *inter-alia* based on factors such as cost of funds and the risk-perception.

Regulatory set-up for credit card usage

881. SHRI A. VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal for a proactive regulatory set-up for the credit card usage;

(b) if so, the details thereof and if not, the reasons therefor;

(c) whether the credit card issuers and credit card users are a part of the banking regulation;

(d) if so, the details thereof and if not, the reasons therefor; and

(e) the details of credit card issuers and number of credit card users for the last three years, year-wise and State-wise as on today?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. With a view to mitigate problems faced by credit card holders, the Reserve Bank of India (RBI) has placed draft guidelines on credit card operations on its website www.rbi.org.in. The Draft Guidelines, *inter-alia*, include directions regarding issue of cards, interest rates and other charges, wrongful billing, use of Direct Sales Agents/Direct Marketing Agents and other agents, protection of customer rights, redressal of grievances, internal control and monitoring system etc.

(c) and (d) RBI have reported that banks which offer credit card services or which set up subsidiaries for carrying out credit card business are covered under banking regulation.

Credit card is basically a payment facility and as credit is incidental, the interest rate directives of RBI on loans and advances do not apply to the fees/service charges levied on credit cards.

(e) Banks issuing credit cards are State Bank of India, Andhra Bank, Bank of Baroda, Bank of India, Canara Bank, Dena Bank, Vijaya Bank, Punjab National Bank, ICICI Bank, HDFC Bank, Citi Bank, Standard Chartered Bank, HSBC, American Express Bank Ltd. and ABN Amro Bank.

Data on credit card users is not being maintained in the manner asked for.

Cut in rate of interest by Banks

882. SHRI K.B. KRISHNAMURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether the Karnataka Legislature has passed a resolution seeking Centre's intervention to bring down the interest rates charged by Nationalised, Rural and Scheduled Banks from the existing 8 per cent to 6 per cent taking into consideration successive drought; and

(b) if so, the action if any taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The information is being collected and will be laid on the Table of the House to the extent available and admissible.

Merger of RRBs

883. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether he is planning to merge the Regional Rural Banks within a State in three months;

(b) if so, whether this step will not adversely effect the quality of banking facilities in the rural areas as the number of branches may come down thereby making existing "access" becoming difficult; and

(c) what is the percentage or rural population being covered presently by the existing banking facilities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The process for amalgamation of Regional Rural Banks (RRBs) sponsored by the same banks within a State has been initiated.